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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/001,900	11/14/2001	Steven M. Bloom	09857-073001	8995
26161 7590 07/24/2007 FISH & RICHARDSON PC P.O. BOX 1022 MINNEAPOLIS, MN 55440-1022			EXAMINER CHANDLER, SARA M	
			ART UNIT 3693	PAPER NUMBER
			MAIL DATE 07/24/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/001,900	Applicant(s) BLOOM ET AL.	
	Examiner Sara Chandler	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 June 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>6/18/07</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This Office Action is responsive to Applicant's arguments and request for reconsideration of application 10/001,900 (11/14/2001) filed on 06/18/07.

Claim Interpretation

1. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111.

2. All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. See MPEP 2106 II C. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result (e.g., "for _____"), but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result (e.g., "for _____"), but does not result in a structural difference between the claimed invention and the prior art. In other words, if the prior art structure is capable of performing the intended use, then it meets the claim.

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Claim limitations that contain statement(s) such as "*if, may, might, can could*", as optional language. As matter of linguistic precision, optional claim elements do not narrow claim limitations, since they can always be omitted.

Claim limitations that contain statement(s) such as "*wherein, whereby*", that fail to further define the steps or acts to be performed in method claims or the discrete physical structure required of system claims.

USPTO personnel should begin claim analysis by identifying and evaluating each claim limitation. For processes, the claim limitations will define steps or acts to be performed. For products, the claim limitations will define discrete physical structures or materials. Product claims are claims that are directed to either machines, manufactures or compositions of matter. See MPEP § 2106 II C.

The subject matter of a properly construed claim is defined by the terms that limit its scope. It is this subject matter that must be examined. As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. The following are examples of language that may raise a question as to the limiting effect of the language in a claim:

- (A) statements of intended use or field of use,
- (B) "adapted to" or "adapted for" clauses,
- (C) "wherein" clauses, or
- (D) "whereby" clauses.

See MPEP § 2106 II C.

3. Independent claims are examined together, since they are not patentable distinct. If applicant expressly states on the record that two or more independent and distinct inventions are claimed in a single application, the Examiner may require the applicant to elect an invention to which the claims will be restricted.

Information Disclosure Statement

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The information disclosure statement filed 6/18/07 fails to comply with 37 CFR 1.98(a)(2), which requires a legible copy of each cited foreign patent document; each non-patent literature publication or that portion which caused it to be listed; and all other information or that portion which caused it to be listed. The foreign patent reference is missing and the PCT search report does not match. It has been placed in the application file, but the information referred to therein has not been considered.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1-12 provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-12,

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respectively of copending Application No. 10/077,182. Although the conflicting claims are not identical, they are not patentably distinct from each other because both applications are drawn to a: creation unit basket of securities for a first fund having a basis that is substantially the same basis as a creation unit basis for a second fund that is traded on a second marketplace in a different country than that of the first fund; and delivering a prescribed number of shares to account for cash that may be owed between the agent and the participant.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

Claim Objections

Claims 18 and 23 are objected to because of the following informalities:

“to account for cash” should be -- to account for the cash --.

Claims 22 and 26 are objected to because of the following informalities:

“the prescribed amount of first exchange-traded fund shares” should be – the prescribed number of first exchange-traded fund shares --.

Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-26 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

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Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: how is the financial product produced?

The term "substantially" in claims 1, 7, 12, 18 and 23 is a relative term which renders the claim indefinite. The term "substantially" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. How is "substantially the same basis" measured?

Claims 2, 8 and 13 recite the limitations "the net asset value of the second fund" and "the second country". There is insufficient antecedent basis for these limitations in the claims. Claims 19 and 24 recite the limitations "the net asset value of at the close of trading of the second exchange-traded fund" and "the second country". There is insufficient antecedent basis for these limitations in the claims.

Claims 3, 9, 14 and 20 recite conditional language (i.e., "wherein if the calculated cash is a positive amount that is owed by the agent....") without sufficiently providing one of ordinary skill instructions for proceeding in the event that the condition fails. What happens if the cash is a negative amount? The claim also expresses discretionary language (i.e., "the agent at its option"). Thus, giving the claims their broadest reasonable interpretation there is not a positive limitation or requirement that anything is done. See MPEP § 2111.

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Claims 4, 10 and 15 recite the limitation "the value of the first country shares to the value of the second country shares". Claim 25 recites the limitation "the value of the first exchange-traded fund to the value of the second exchange-traded fund". There is insufficient antecedent basis for this limitation in the claim. Is the value the net asset value or some other value? Does applicant mean "the value of the shares in the first fund to the value of the shares in the second fund with respect to claim 4? Are these shares in the first and second financial product with respect to claim 10?

Claim 7 recites the limitation "the second fund". There is insufficient antecedent basis for this limitation in the claim. Does applicant mean "the second financial product"?

Claims 7 and 12 recite the limitation "a participant that receives the shares". Are these the shares in the first or second financial product?

Claim 7, 12, 18 and 23 recite the limitation "a second, number of shares". A second what (i.e., # shares)? The comma makes the intent confusing.

Claim 8 recites the limitation "the first fund". There is insufficient antecedent basis for this limitation in the claim. Does applicant mean "the first financial product"?

Claim 9 recites the limitation "the second country fund". There is insufficient antecedent basis for this limitation in the claim. Does applicant mean "the second financial product"?

Claim 11 recites the limitation "the second country fund shares along with the prescribed amount of first country shares". There is insufficient antecedent

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basis for this limitation in the claim. Are these shares in the first and second financial product?

Claim 12 recites the limitation "second product". There is insufficient antecedent basis for this limitation in the claim. Should this be the second financial product? Claim 12 recites the limitation "the creation unit basis for a second financial product". There is insufficient antecedent basis for this limitation in the claim. Should this be a creation unit basis for a second financial product ?

Claim 13 recites the limitation "the first fund equate to the second financial product". There is insufficient antecedent basis for this limitation in the claim. Should this be the first financial product equates to the second financial product?

Claim 16 recites the limitation "the second product shares along with the prescribed amount of first product shares". There is insufficient antecedent basis for this limitation in the claim. Should this read the second financial product shares along with a prescribed amount of the first financial product shares?

Claim 17 recites the limitation "the first product". There is insufficient antecedent basis for this limitation in the claim. Is this the first financial product?

Dependent are further rejected based on the same rationale as the claims from which they depend.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which

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said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gastineau, US Pub. No. 2001/0025266 in view of "Exchange traded funds—the wave of the future ?," by Stuart M. Strauss. The Investment Lawyer.

Englewood Cliffs: Apr. 2000. Vol. 7, Iss. 4.

Re Claim 1: Gastineau discloses a method of producing shares of a first fund that is traded on a first marketplace, the method comprising:
delivering by a market participant to an agent for the first fund, a creation unit basket of securities having a basis that is substantially the same basis as a creation unit basis for a second fund that is traded on a second marketplace in a

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different country than that of the first fund (Gastineau, [0001] [0002] [0003] [0004]).

Gastineau fails to explicitly disclose:

delivering a prescribed number of shares in the first fund to the market participant, in exchange for the creation unit basket of securities and a second, number of shares in the second fund to account for cash that is owed by the agent to the participant.

Strauss discloses:

delivering a prescribed number of shares in the first fund to the market participant, in exchange for the creation unit basket of securities and a second, number of shares in the second fund to account for cash that is owed by the agent to the participant (Strauss, pgs. 1-3).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Gastineau by adopting the teachings of Strauss to provide a method further comprising delivering a prescribed number of shares in the first fund to the market participant, in exchange for the creation unit basket of securities and a second, number of shares in the second fund to account for cash that is owed by the agent to the participant.

As suggested by Strauss one would have been motivated to ensure that shares are purchased at NAV.

Re Claim 7: Gastineau discloses a computer program product residing on a computer readable medium, for administering a first financial product that has

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shares traded in a first marketplace the first financial product based on a creation unit basket of securities having a basis that is substantially the same basis as the creation unit basis for a second financial product that has shares traded on a second marketplace in a different country (Gastineau, [0001] [0002] [0003] [0004]), the computer program product comprising instructions for causing a processor to:

Gastineau fails to explicitly disclose:

determine a second, number of shares in the second fund to account for cash that is owed by an agent that issues the shares in the first financial product to a participant that receives the shares, to allow the agent to deliver second, number of shares in the second fund in lieu of the cash and a prescribed number of shares in the first fund to the market participant in exchange for the creation unit basket.

Strauss discloses:

determine a second, number of shares in the second fund to account for cash that is owed by an agent that issues the shares in the first financial product to a participant that receives the shares, to allow the agent to deliver second, number of shares in the second fund in lieu of the cash and a prescribed number of shares in the first fund to the market participant in exchange for the creation unit basket. (Strauss, pgs. 1-3).

Intended Use: The claim makes several intended use statements which do not carry patentable weight (i.e., "a computer program product residing on a computer readable medium for"; "instructions for"). What follows the statement of

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intended use (i.e., "for") does not carry patentable weight. The claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Gastineau by adopting the teachings of Strauss to provide a computer program product comprising instructions for causing a processor to: determine a second, number of shares in the second fund to account for cash that is owed by an agent that issues the shares in the first financial product to a participant that receives the shares, to allow the agent to deliver second, number of shares in the second fund in lieu of the cash and a prescribed number of shares in the first fund to the market participant in exchange for the creation unit basket.

As suggested by Strauss one would have been motivated to ensure that shares are purchased at NAV.

Re Claim 12: Gastineau discloses a system, comprises:
a computer (Gastineau, Fig. 1, [0009] [0010] [0020] [0021]); and
a storage medium storing a computer program product for administering a first financial product that has shares which are traded in a first marketplace the first financial product based on a creation unit basket of securities having a basis that is substantially the same basis as the creation unit basis for a second financial product that has shares that are traded on a second marketplace in a different

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country (Gastineau, abstract, [0010] [0020]), the computer program product comprising instructions for causing a processor to:

Gastineau fails to explicitly disclose:

record the number of shares issued in the first financial product;
determine a second, number of shares in the second product to account for cash that is owed by an agent that issues the shares in the first financial product to a participant that receives the shares to allow the agent to deliver the second, number of shares in the second product in lieu of the cash; and a prescribed number of shares in the first fund to the market participant in exchange for the creation unit basket; and
record the number of shares delivered in the second product.

Strauss discloses:

record the number of shares issued in the first financial product (Strauss, pgs. 1-3);
determine a second, number of shares in the second product to account for cash that is owed by an agent that issues the shares in the first financial product to a participant that receives the shares to allow the agent to deliver the second, number of shares in the second product in lieu of the cash; and a prescribed number of shares in the first fund to the market participant in exchange for the creation unit basket (Strauss, pgs. 1-3); and
record the number of shares delivered in the second product (Strauss, pgs. 1-3).

Intended Use: The claim makes several intended use statements which do not carry patentable weight (i.e., "a storage medium storing a computer

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program product for"; "instructions for"). What follows the statement of intended use (i.e., "for") does not carry patentable weight. The claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Gastineau by adopting the teachings of Strauss to provide a computer program product comprising instructions for causing a processor to: record the number of shares issued in the first financial product; determine a second, number of shares in the second product to account for cash that is owed by an agent that issues the shares in the first financial product to a participant that receives the shares to allow the agent to deliver the second, number of shares in the second product in lieu of the cash; and a prescribed number of shares in the first fund to the market participant in exchange for the creation unit basket; and record the number of shares delivered in the second product.

As suggested by Strauss one would have been motivated to ensure that shares are purchased at NAV.

Re Claim 18: Gastineau discloses a computer program product residing on a computer readable medium for administering a first exchange-traded fund, the computer program product (Gastineau, Fig. 1, [0009] [0010] [0020] [0021]), comprising instructions for causing a processor to:

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record creation of the first exchange-traded fund, the first exchange-traded fund having a prescribed number shares for trading in a first country, the first exchange-traded fund produced by delivery to an agent, in exchange for the prescribed number of shares of a creation unit basket having a basis that is substantially the same basis as a creation unit basis for a second exchange-traded fund that has shares traded on a second marketplace in a different country (Gastineau, Fig. 1, [0009] [0010] [0020] [0021]);

Gastineau fails to explicitly disclose:

determine a number of shares in the second exchange-traded fund to account for cash that is owed by the agent to the participant to allow the agent to deliver the second, number of shares in the second exchange-traded fund in lieu of the cash; and

record the prescribed number of shares in the first exchange-traded fund and the number of shares in the second exchange-traded fund to account for cash.

Strauss discloses:

determine a number of shares in the second exchange-traded fund to account for cash that is owed by the agent to the participant to allow the agent to deliver the second, number of shares in the second exchange-traded fund in lieu of the cash (Strauss, pgs. 1-3); and

record the prescribed number of shares in the first exchange-traded fund and the number of shares in the second exchange-traded fund to account for cash (Strauss, pgs. 1-3).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Gastineau by adopting the teachings of Strauss to determine a number of shares in the second exchange-traded fund to account for cash that is owed by the agent to the participant to allow the agent to deliver the second, number of shares in the second exchange-traded fund in lieu of the cash; and record the prescribed number of shares in the first exchange-traded fund and the number of shares in the second exchange-traded fund to account for cash.

As suggested by Strauss one would have been motivated to ensure that shares are purchased at NAV.

Re Claim 23: Gastineau discloses a method for administering a first exchange-traded fund, the method comprising::
delivering from a participant to an agent a creation unit basket of securities for the first exchange-traded fund in exchange for a prescribed number of shares in first exchange traded fund, the shares for the first exchange-traded fund trading in a first country and the first exchange-traded fund having a basis that is substantially the same basis as a creation unit basis for a second exchange-traded fund (Gastineau, [0001] [0002] [0003] [0004]);

Gastineau fails to explicitly disclose:
determining a number of shares in the second exchange-traded fund to account for cash that is owed by the agent to the participant to allow the agent to deliver the second, number of shares in the second exchange-traded fund in lieu of the cash; and

recording the prescribed number of shares in the first exchange-traded fund and the number of shares in the second exchange-traded fund to account for cash.

Strauss discloses:

determining a number of shares in the second exchange-traded fund to account for cash that is owed by the agent to the participant to allow the agent to deliver the second, number of shares in the second exchange-traded fund in lieu of the cash (Strauss, pgs. 1-3); and

recording the prescribed number of shares in the first exchange-traded fund and the number of shares in the second exchange-traded fund to account for cash (Strauss, pgs. 1-3).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Gastineau by adopting the teachings of Strauss to provide determining a number of shares in the second exchange-traded fund to account for cash that is owed by the agent to the participant to allow the agent to deliver the second, number of shares in the second exchange-traded fund in lieu of the cash; and recording the prescribed number of shares in the first exchange-traded fund and the number of shares in the second exchange-traded fund to account for cash.

As suggested by Strauss one would have been motivated to ensure that shares are purchased at NAV.

Re Claims 2 and 8: Gastineau in view of Strauss disclosed the claimed method/computer program product supra and Strauss further discloses the method/computer program product comprising:

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calculating the amount of cash needed to be exchanged between agent and the participant to have first fund equate to second fund at the NAV at the close of trading in second country to determine the cash that may be owed by the agent (Strauss, pgs. 1-3).

Re Claims 3 and 9: Gastineau in view of Strauss disclosed the claimed method/computer program product supra and Strauss further discloses the method/computer program product wherein if the cash is a positive amount the agent at its option can instead issue shares in the second country fund in lieu of cash (Strauss, pgs. 1-3).

Re Claims 4 and 10: Gastineau in view of Strauss disclosed the claimed method/computer program product supra and Strauss further discloses the method/computer program product wherein a small amount of cash may be required to be exchange in either direction to equate the first country shares and second country shares (Strauss, pgs. 1-3).

Re Claims 5,6 and 11: Gastineau in view of Strauss disclosed the claimed method/computer program product supra and Strauss further discloses the method/computer program product wherein the agent sets a maximum cash amount that it will give to participants (Strauss, pgs. 1-3); and wherein transactions that exceed the maximum amount will result in issuance of the second fund shares along with the prescribed amount of first fund shares (Strauss, pgs. 1-3).

Re Claim 17: Gastineau in view of Strauss discloses the claimed computer program product supra and Strauss further discloses determine a prescribed

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number of shares in the first product to the market participant in exchange for the creation unit basket (Strauss, pgs. 1-3).

Claims 13, 19 and 22 contain features or limitations recited in Claims 2 and 8, therefore they are rejected under the same rationale.

Claims 14, 20 and 25 contain features or limitations recited in Claims 3 and 9, therefore they are rejected under the same rationale.

Claims 15, 21 and 26 contains features or limitations recited in Claims 4 and 10, therefore they are rejected under the same rationale.

Claims 16 and 22 contain features or limitations recited in Claims 5, 6 and 11, therefore they are rejected under the same rationale.

Response to Arguments

Applicant's arguments filed 6/18/07 have been fully considered but they are not persuasive.

Double patenting

Examples of acceptable language for making the disclaimer of the terminal portion of any patent granted on the subject application follow:

I. If a Provisional Obviousness-Type Double Patenting Rejection Over A Pending Application was made, use:

The owner, _____, of _____ percent interest in the instant application hereby disclaims the terminal part of the statutory term of any patent granted on the instant application which would extend beyond the expiration date of the full statutory term of any patent granted on pending **reference** Application Number _____, filed on _____, as such term is defined in 35 U.S.C. 154 and 173, and as the term of any patent granted on said **reference** application may be shortened by any terminal disclaimer filed prior to the grant of any patent on the pending **reference** application. The owner hereby agrees that any patent so granted on the instant application

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shall be enforceable only for and during such period that it and any patent granted on the **reference** application are commonly owned. This agreement runs with any patent granted on the instant application and is binding upon the grantee, its successors or assigns.

II. If an Obviousness-Type Double Patenting Rejection Over A Prior Patent was made, use:

The owner, _____, of _____ percent interest in the instant application hereby disclaims the terminal part of the statutory term of any patent granted on the instant application which would extend beyond the expiration date of the full statutory term of **reference patent** No. _____ as the term of said **reference patent** is defined in 35 U.S.C. 154 and 173, and as the term of said **reference patent** is presently shortened by any terminal disclaimer. The owner hereby agrees that any patent so granted on the instant application shall be enforceable only for and during such period that it and the **reference patent** are commonly owned. This agreement runs with any patent granted on the instant application and is binding upon the grantee, its successors or assigns.

Alternatively, Form PTO/SB/25 may be used for situation I, and Form PTO/SB/26 may be used for situation II; a copy of each form may be found at the end MPEP § 1490.

Applicant argues the term "substantially" is not indefinite

Define explicitly on the record the scope and degree of "substantially" and indicate exactly where in the specification support can be found and/or support for how one of ordinary skill in the art would interpret the term.

Intended use

See discussion supra regarding claim interpretation.

Automation

It is not 'invention' to broadly provide a mechanical or automatic means to replace manual activity which has accomplished the same result. In re Venner, 120 USPQ 192 (CCPA 1958) In re Rundell, 9 USPQ 220

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The claimed invention would have been obvious to one of ordinary skill in the art. The concept of exchange-traded funds was old and well-known at the time the invention was made. See citation *supra* for Gastineau.

The concept of in-kind purchase and redemption with respect to exchange-traded funds was old and well-known at the time the invention was made. In exchange for a given creation unit for a fund, a number of shares plus/minus a cash component could be exchanged, such that the values exchanged are equal. Furthermore, it was old and well-known that this purchase and redemption occurred at net asset value. See citation *supra* for Strauss.

As suggested by Strauss allowing for purchase and redemption at net asset value helps to close any gap that may exist between the market price of the shares and the net asset value, which can be closed through arbitrage.

Applicant argues, that it is non-obvious that when the creation unit basis between the first fund and the second fund are the same (or nearly the same) and when the net asset value is taken at the same time, that shares in the second fund could also be used. It is noted that this is also obvious in light of the teachings of Gastineau and Strauss. This is also a type of in-kind exchange that is common in fields related to bartering, trading and exchanges. The idea that something (i.e., usually other than money) that is an equivalent or near equivalent (i.e., in value, use etc.) can be given as an alternative or replacement for something else.

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Clarification of the following will also help advance prosecution

1. What are the required features/attributes of the first and second fund/financial products individually and in relationship to each other? Please cite these features positively and in every independent claim.

The antecedent basis problems in the claims appear to be the result of the failure to address certain steps and or features/attributes in the independent claims (e.g., net asset value/value).

2. Please review and edit all claims before submission and make sure consistent terminology is used, 112 problems addressed.

3. How is the claimed invention distinguished from or non-obvious in light of in-kind exchanges? What is the relationship between the claimed invention and WEBS, foreign market index funds etc.?

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure: The following references relate to exchange traded funds: ("20020004759"|"20020128947"|"20020184126"|"6035287"|"6879964"|"6947901"|"7062459"|"7080050"|"7124106"|"7133847").PN.

"Exchange-Traded Funds: An Introduction," by Gary L. Gastineau. Journal of Portfolio Management; Spring 2001; 27, 3; ABI/INFORM Global. Pgs. 88-96.

"WEBS Surpass \$1 Billion" Business Editors. Business Wire. New York: Jan. 11, 1999 (via Proquest, pgs. 1-3).

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"Actively-Managed Exchange Traded Funds: Coming Soon to a Market Near You?," by Anthony Ragozino and Charlie J. Gambino. The Investment Lawyer; May 2001; 8,5; ABI/INFORM Global. Pgs 3-9.

"The effect of country-specific index trading on closed-end country funds: an empirical analysis," by Mathew O'Conner and Edward A. Down. Financial Services Review 9 (2000). Pgs. 259-275.

"Arbitrage and Valuation in the Market for Standard and Poor's Depositary Receipts," by Lucy F. Ackert and Yisong S. Tian. Financial Management; Autumn 2000; 29,3; ABI/INFORM Global. Pg. 71.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

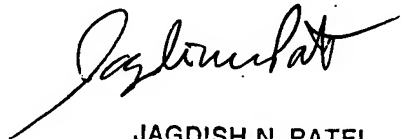
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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Sara Chandler whose telephone number is 571-272-1186. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

SMC



JAGDISH N. PATEL
PRIMARY EXAMINER